

# CALIFORNIA: Leveling the Playing Field

*"To create jobs in this country, we need to pursue free trade agreements that will open up foreign markets for American products. Expanded trade will help businesses large and small. Businesses such as UVP, Inc., and Maney Aircraft based right out of here, will help them to sell more good and locally made products overseas."*

*Free trade must be two ways. We're good at what we do; we ought to be allowed to sell what we do in other people's countries. Farmers ought to have markets opened up to them. California's ranchers and farmers are really good at what they do. We need a level playing field when it comes to trade, and a level playing field will help us create jobs here in America."*

*-President George W. Bush  
October 16, 2003  
San Bernardino, CA*

**Trade Plays a Significant Role in California's Growing Economy:** People from all over the world are buying California products, which helps fuel California's economy and create jobs.

- ✓ California is America's leading exporter of agricultural products with \$8.2 billion in sales abroad. The state ranks first in the nation for exports of vegetables, fruits, and tree nuts, and is the country's second largest exporter of cotton.
- ✓ California sold nearly \$94 billion in goods in 2003, ranking as the nation's second largest exporter.
- ✓ At \$36.7 billion in 2003, computers and electronics are California's biggest goods exports.
- ✓ 1.1 million jobs in California and 26% of all manufacturing workers in California were supported by U.S. manufactured goods exports. Such jobs are estimated to pay 13% to 18% more than the U.S. national average wage.
- ✓ 58,537 companies in California exported goods in 2001; 94% were small and medium sized businesses.

**California Benefits as President Bush Levels the Playing Field:** The Bush Administration has worked aggressively to level the playing field for California's farmers, workers, and businesses by opening new markets, removing barriers that hurt California's exporters, promoting California exports, and enforcing our trade laws and combating unfair trade practices.

- **Opening New Markets for California:** California's farmers and manufacturers benefit as the Bush Administration opens new markets by:
  - **Expanding markets for California-grown fruits and vegetables in Central America and the Dominican Republic.** As America's largest producer of fruits and vegetables, California stands to benefit greatly from new markets for these products. Under the U.S.-Central America FTA, California's fruit and vegetable farmers will be able to sell products such as apples, pears, cherries, grapes, dried beans, and sweet corn duty-free.

- **Expanding China's market for California exports of cotton.** After two years of Administration engagement, China issued final safety certificates for biotech soybeans, cotton, corn and canola oil, assuring that China's quick-growing multi-billion dollar market for these U.S. agricultural products will remain open to Arkansas and other U.S. farmers. U.S. cotton sales to China have increased nearly 3200% over the last four years. This year is already a record for U.S. cotton exports to China with \$1.3 billion in sales from January through August. California is the nation's second largest exporter of cotton, with over \$335 million in sales abroad.
  - **Expanding markets for California's manufactured goods exported to Australia.** The U.S.-Australia Free Trade Agreement provides immediate benefits for California's manufacturing sectors, including autos and autos parts, chemicals, electrical equipment and appliances and information technology by immediately eliminating duties that were limiting access to Australian markets. California exported \$1.7 billion in manufacturing goods to Australia last year.
- **Removing Barriers that Hurt California's Exporters:** The Bush Administration's aggressive actions to remove barriers for American exporters help California farmers, manufacturers, high-tech industry and workers by:
- **Reducing barriers and increasing exports to Chile through the U.S.-Chile Free Trade Agreement.** The FTA with Chile, secured by this Administration, removed trade barriers and secured access to the Chilean market for U.S. raspberry and strawberry farmers, California kiwi and table grapes, and California citrus. For goods exporters, we are already seeing good results from this FTA: overall exports to Chile are up 30% January-August this year over the same period last year. As the nation's third largest goods exporter to Chile with sales of \$212.4 million in 2003, California stands to benefit greatly from this agreement.
  - **Eliminating tariffs for California's exports of information technology to Australia, Morocco, Singapore, Bahrain, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and the Dominican Republic.** Computers and electronic products rank as the state's top export category.
  - **Reducing barriers for information technology exports** through intensive discussions with the Chinese, they eased import requirements on information technology products, affording U.S. companies greater access to tariff reductions and eliminations to improve the market for U.S. goods. California exported over \$2.2 billion in computer and electronic products to China in 2003.
  - **Reducing tariffs and increasing intellectual property protections for California's computer and electronic products exported to Columbia, Ecuador, and Peru under the U.S.-Andean Free Trade Agreement.** In 2003, California companies exported nearly \$350 million in goods to Columbia, Ecuador, and Peru. 28% of these exports were computers and electronics.
  - **Duty-free exports for California's chemical manufacturers** for pharmaceuticals, plastics and resins sold to Australia, Chile, Singapore, Morocco, Bahrain, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic. California's chemical industry exported nearly \$6 billion to the world in 2003.

- **Enforcing Trade Laws and Combating Unfair Trade Practices:** The President's enforcement of trade laws and vigorous pursuit of allegations of unfair trade have produced real results for California, including:
- **Launching the Strategy Targeting Organized Piracy (STOP!).** Building on the Administration's solid track record of real results in combating global piracy and counterfeiting, the STOP initiative is the most comprehensive initiative ever advanced to smash the criminal networks that traffic in fakes, stop trade in pirated and counterfeit goods at America's borders, block bogus goods around the world, and help small businesses and their workers secure and enforce their rights in overseas markets. This initiative will especially help California's leading media and entertainment industry, along with the state's top computer and electronic producers.
  - **Ensuring fair access to China for California semiconductors** by bringing the first WTO case against China to ensure fair tax treatment for U.S. semiconductors in China, the fastest growing semiconductor market. Within months, China agreed to our demands, ensuring that California and other U.S. exporters have fair access to a market worth over \$2 billion to American manufacturers.
  - **Ensuring a level playing field for California's tomato growers** by enforcing trade laws to ensure that imports of Mexican tomatoes are entering the U.S. at fair prices. California is a top producer of tomatoes.
  - **Ensuring fair access to Japan for California's apples.** The United States successfully challenged Japan at the WTO against unfair import restrictions on U.S. apples. U.S. farmers send more than \$390 million worth of world-class apples abroad every year, with some of the best grown in California. Fruit is California's second largest agricultural export, accounting for nearly \$1.9 billion in sales abroad.
  - **Ensuring fair access to India for U.S. almonds.** The United States obtained an agreement from India that it will not restrict U.S. almond exports worth \$70 million and U.S. farmers' second-most important export to India. California is a leading producer of almonds.